

§ 234.54 Eligibility of assigned mortgages and mortgages covering acquired property.

The Commissioner may insure under this part, without regard to any limitation upon eligibility contained in this subpart (except that the property must be located in a condominium project approved under § 234.26), any mortgage assigned to the Commissioner in connection with payment under a contract of mortgage insurance, or executed in connection with a sale by the Commissioner of any property acquired in the settlement of an insurance claim under any section or title of the Act.

§ 234.63 Location of property.

The mortgage, to be eligible for insurance, shall be on property located in a State, as defined in § 203.251 of this chapter, and not located on "Hawaiian home lands," as that term is defined in section 247(d)(2) of the Act.

§ 234.65 Nature of title.

A mortgage, to be eligible for insurance, shall be on a fee interest in, or on a leasehold interest in, a one-family unit in a project including an undivided interest in the common areas and facilities, and such restricted common areas and facilities as may be designated. To be eligible, a leasehold interest shall be under a lease for not less than 99 years which is renewable, or under a lease having a period of not less than 10 years to run beyond the maturity date of the mortgage.

§ 234.66 Free assumability; exceptions.

For purposes of HUD's policy of free assumability with no restrictions, as provided in § 203.41 of this chapter, the definition of *Legal restrictions on conveyance* in § 203.41(a)(3) of this chapter does not include rights of first refusal held by a condominium association for a project approved by the Secretary under this subpart prior to September 10, 1993.

Subpart B—Contract Rights and Obligations—Individually Owned Units**§ 234.251 Definitions.**

The definitions in § 203.251 of this chapter apply to this subpart.

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§ 234.255 Cross-reference.

(a) *Provisions.* All of the provisions of §§ 203.251 through 203.436 of this chapter (part 203, subpart B) covering mortgages insured under section 203 of the National Housing Act shall apply to mortgages insured under section 234(c) of the National Housing Act except the following provisions:

Sec.

203.258 Substitute mortgagors.

203.259a Scope.

203.280 One-time MIP.

203.281 Calculation of one-time MIP.

203.282 Mortgagee's late charge and interest.

203.283 Refund of one-time MIP.

203.357 Deed in lieu of foreclosure.

203.378 Property condition.

203.379 Adjustment for damage or neglect.

203.380 Certificate of property condition.

203.389 Waived title objections.

203.420 Nature of Mutual Mortgage Insurance Fund.

203.421 Allocation of Mutual Mortgage Insurance Fund income or loss.

203.422 Right and liability under Mutual Mortgage Insurance Fund.

203.423 Distribution of distributive shares.

203.424 Maximum amount of distributive shares.

203.425 Finality of determination.

203.440 *et seq.* Insured home improvement loans.

(b) *References.* For the purposes of this subpart, all references in §§ 203.251 through 203.436 of this chapter (part 203, subpart B) to section 203 of the Act, one- to four-family, and the Mutual Mortgage Insurance Fund, shall be construed to refer to section 234 of the act, one-family unit, and the General Insurance Fund. The term *property* or *each family dwelling unit* as used in §§ 203.251 through 203.436 of this chapter (part 203, subpart B) shall be construed to include "the one-family unit and the undivided interest in the common